

TRANSMITTAL SLIP		DATE 11 October 1972
TO: [REDACTED]		
ROOM NO. 626	BUILDING Chamber of Commerce	
REMARKS:		
<p style="text-align: right;">12 OCT 1972</p> <p>Per our telecon this date, attached are the Management Improvement Program Report (Circular A-44) for this year and our study on Support Offices' Functions and Objectives.</p> <p>I would appreciate return of the Management Improvement Program Report within the next week or ten days as this is our only copy on the O/DDS Staff.</p> <p style="text-align: center;">STAT</p> <p style="text-align: right;"><i>Returned 10/18/72.</i></p>		
FROM: [REDACTED]		C/Plans Staff/DDS
ROOM NO. 7D 10	BUILDING Hqs.	E [REDACTED]

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

Executive Registry

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25 SEP 1972

Mr. James Frey, Chief
International Programs Division
Office of Management and Budget
Washington, D. C. 20503

Dear Jim:

Attached is a copy of our Management Improvement Program Report (Circular A-44) for this year. I trust it will meet your requirements although you will see that we could not follow the prescribed format in all cases.

W. E. Colby

William E. Colby
Executive Director-Comptroller

Attachment:

As Stated

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CENTRAL INTELLIGENCE AGENCY
MANAGEMENT IMPROVEMENT REPORT
(OMB Circular A-44)
FISCAL YEAR 1972

Section I	Management Review Policy
Section II	Improvement Projects
Section III	Financial Accomplishments and Plans
Section IV	Automatic Data Processing
Section VI	Productivity
Section VII	Cost Reductions

Prepared By:

Office of Planning,
Programming, and Budgeting

12 September 1972

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SECTION I - MANAGEMENT REVIEW POLICY

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A. Policy

The management review policy of the CIA is carried out within the framework of a dualistic system involving (1) the scheduled and periodic examination of individual organization and component management and performance and (2) the annual and special analysis and evaluation of program and project effectiveness through the PPB system. These two elements--organization examination and program review--are controlled by the Executive Director-Comptroller and implemented by organizational staff elements at the Agency (DCI) level--the Office of the Inspector General (organizational) and the Office of Planning, Programming, and Budgeting (programmatic).

A third dimension of the Agency's management analysis and review program encompass those organization and program review activities carried out on a continuing basis by subordinate operating echelons at the second (Directorate) and third (component) Agency management levels. Cost, priority and achieved or potential performance, are the key factors in determining program or project value forming the basis for decisions concerning the life and size of the many complex, varied and changing activities of this Agency.

B. Objectives

Review objectives are quite simple: The maximizing of utility, performance and efficiency at the least possible cost. To achieve these idealistic objectives the Agency continues its efforts:

- (1) to improve the utility of existing review systems;
- (2) to experiment with expanding and coordinating the IG and the O/PPB activities into a comprehensive management review system;
- (3) to encourage and assist subordinate echelons to design management review systems supplementary to the IG and PPB systems;
- (4) to develop norms and methods applicable to the Agency, its directorates and components to provide information needed for performance evaluation and comparison, resource allocation and priority assignments; and
- (5) to improve the compilation and accumulation of pertinent performance data.

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C. Approach

The Inspector General directs the Inspection Staff and the Audit Staff that together with the Office of Planning, Programming, and Budgeting constitute the Agency's principal review instruments.

(1) The Inspection Staff is charged with "Surveying and evaluating the assignment and performance of the missions and functions prescribed for all components of the Agency and making recommendations for such improvements as may assist them more fully to perform their appropriate functions."

(2) The Audit Staff is responsible for independent examination and verification of all matters relating to the Agency's finances, materiel, and properties, and for making recommendations for changes in accounting policies and procedures.

The Office of Planning, Programming, and Budgeting is the focal point of the Agency's resource management system which has been developed and in use for some years throughout the Agency and its Directorates. In all candor, neither system at present permits management to compare quantitatively or absolutely the effectiveness of many dissimilar programs and products, nor does either system provide a basis for assigning relative priorities to many resource-competing programs.

CIA conducts selected program and project reviews in response to particular issues and problems which arise constantly. In addition, Directorates and their components have used numerous review techniques suitable to their special needs. Directorates and components, however, are responsible for a great variety of activities and produce a wide range of unique and even ad hoc products. Specific review techniques and systems which may be suited for one Directorate or component have not always been adaptable to other activities. The Agency must develop its own measurements and standards for comparisons and decisions on product evaluation, resource allocation, and program effectiveness. Accordingly, the IG and the D/PPB are jointly examining a variety of techniques with a view of developing methods and norms usable by the Agency as a whole, as well as by its Directorates and components.

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D. Review Plans FY 1973

A significant effort will be undertaken within a number of organizational elements and programs to construct and develop techniques, factors, or other bases for evaluating productivity, utility, priority and effectiveness, particularly among activities not having a conventionally measurable physical product.

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SECTION II - IMPROVEMENT PROJECTS

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1. Project: Improvement of Development and Engineering Programming.
2. Program or Function: To improve D&E programming to reflect more accurately the needs of the using components.
3. Summary Statement of Improvement Approach:
 - a. Description: In FY 1972, TSD revised its traditional Planning Conference by presenting its D&E program to the customers (CS operating divisions) in greater detail and on a broader scale than in the past. In general sessions and separate intensive sessions with individual components, some 80 senior operating officials (far more than previously) had an opportunity to review and pass judgment on the D&E program as it related to their needs.
 - b. Reasons for Selection: The project was selected because of need to obtain more comprehensive guidance and input from operations personnel.
 - c. Evaluation of the Improvement Technique Utilized: No formal techniques of operations research or systems analysis were used.
4. Improvement Objectives and Performance Indicators:

Performance

The project has resulted in changes in plans and priorities, identification of high-payoff areas and most urgent needs, and the elimination or downgrading of marginal projects. It is believed that this represents a significant improvement in the quality of D&E programming. Ultimate confirmation of this of necessity depends on future events.

Objectives

Past year: To predict more accurately D&E programming needs and thereby use D&E funds more effectively in the current year.

Current year: Continuing.

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DD/P

1. Project: TSD Interim Support Information Processing System (TISIPS).
2. Program or Function: Provides TSD management a current, accurate and meaningful information retrieval system to better plan, program, budget for and utilize TSD equipment on a world-wide basis.
3. Summary Statement of Improvement Approach:
 - a. Description: A computerized system of inputs prepared and controlled by TSD personnel. The system lists world-wide TSD materiel located at approximately ☐ field stations. The prime purpose of the system is to record the location, operational status and quantity of every item (by specific type) for accountability and security purposes. Outputs consist of five major reports, two demand type reports and a monthly error listing.
 - b. Reasons for Selection: This project was selected because it meets a need to improve the inventory control system over clandestine technical support materiel.
 - c. Evaluation of the Improvement Technique Utilized: No formal evaluative techniques were used.
4. Improvement Objectives and Performance Indicators:

Performance

This project has proven to be an invaluable tool considering the minimal manhours required to manage and control property inventory valued at fifteen million dollars (140 TSD

Objectives

Past year: To improve the inventory control system over clandestine technical support materiel.

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manhours and 4.5 hours of computer time per month). The computer printouts provide TSD with current information regarding location and availability of equipment, and as a result, cable and dispatch traffic has been reduced to a minimal level. In short, the quality and timeliness of the accounting and control have significantly improved, with the additional benefit of a modest savings in manpower throughout the chain of command.

Current year: This project has the potential of replacing TYPE II Financial Property Accountability, which would reduce duplication of record keeping (and afford a commensurate reduction in manhours devoted to such record keeping). A proposal to this effect is currently under review by the Office of Finance. If approved, we hope to implement the proposed change during the current year.

5. Assessment of Performance:

At the inception of the project, the original input sheets in certain cases provided duplication in the identification of like items. An effort is being made to correct any duplication, to reidentify items and to purge the system to make it more accurate.

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DD/P

1. Project: Laboratory Production Efficiency Improvement.
2. Program or Function: The goal is to handle a rapidly growing burden of requirements on the TSD Laboratory without increasing personnel strength.
3. Summary Statement of Improvement Approach:
 - a. Description: Increasing requirements for concealment devices (representing about 80% of the Lab's effort) have been met by shifting the designer/technician ration and by using outside contractors on a piece-work basis.
 - b. Reasons for Selection: The project was selected because of an urgent need to meet increased operational requirements without increasing the number of personnel involved. For example, requirements for concealment devices for the Office of Communications alone increased more than 50% from FY 1971 to FY 1972.
 - c. Evaluation of the Improvement Techniques Utilized: No formal techniques of operations research or systems analysis were used.
4. Improvement Objectives and Performance Indicators:

Performance

Objectives

[REDACTED]

Past year: To meet increasing requirements without increasing personnel levels.

[REDACTED] Statistics by themselves mean very little. They fail to take into account the increasing sophistication and complexity of requirements for such devices. It is apparent, however, that some concrete and specific steps needed to be taken if a significant percentage of requirements for FY 1972 were to be met.

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1. Project: Quality Assurance Standards.
2. Program or Function: The goal is to establish quality assurance standards for all classes of clandestine operations technical support materiel by increasing the quality assurance inspection base and ensuring compliance with the Contractor's Manual.
3. Summary Statement of Improvement Approach:
 - a. Description: TSD has compiled a Contractor's Manual, a 306 page volume which is designed to inform all contractors of general procurement requirements. The manual provides specific guidance and standards to be followed in all phases of contractor's performance from the development and engineering stages through testing to final production.
 - b. Reasons for Selection: This project was selected because it meets a long-felt need for a uniform, clear and precise set of standards to which all TSD contractors could refer and provides a standard against which to measure their level of performance, thereby assuring an increased level of equipment quality. It is hoped that this will reduce significantly the time spent by TSD in answering many individual queries which can now be answered by reference to the manual.
 - c. Evaluation of the Improvement Techniques Utilized: Failure analysis is underway which is a prerequisite for establishing a data base to measure effectiveness in meeting the goal.

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4. Improvement Objectives and Performance Indicators:

Performance

The manual was written and compiled during the past year and first published at the beginning of FY 1973. The necessary data base for measuring effectiveness in meeting the goal is being developed.

Objective

Past year: Prepare the manual as the primary means of establishing quality assurance standards. Establish a data base to permit measurement of improvement.

Current year: To put the manual into use among all contractors. Cost savings will be difficult to measure except as reflected in reduced failure rates and fewer manhours spent answering queries and explaining procedures which will now be covered by the manual.

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1. Project: Development of a stronger foreign language capability in CIA.
2. Program or Function: OTR - Internal Training
3. Summary Statement of Improvement Approach:
 - a. Description: Project includes developing foreign language competence through resources of the Language School of OTR and externally, at Government and non-Government facilities; conducting classes in languages for which there is a specific requirement; establishing part-time classes in closer proximity to the sources of students; expanding opportunities for testing proficiencies; supporting self-study through an expanded home-study program involving the use of cassette tapes; enhancing the qualifications of Language School personnel to ensure high quality of instruction; continuing to convene the Language Development Committee which investigates ways and means of advancing language development in the Agency including incentives to employees to achieve proficiency in those languages in short supply; and supporting language development through briefings and training publications.
 - b. Reasons for Selection: Requirement established by the Director.
 - c. Evaluation of the Improvement Techniques Utilized: The development of foreign language competencies contributes to collection (both overt and covert) and production of intelligence. The techniques described in a. are intended to improve the quality of intelligence production; they are not linked to a cost reduction.

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4. Improvement Objectives and Performance Indicators:

<u>Performance Indicators</u>	<u>PERFORMANCE</u>			<u>OBJECTIVES</u>	
	<u>BPRI</u>	<u>Base Year (FY 1971)</u>	<u>Past Year (FY 1972)</u>	<u>Past Year (FY 1971)</u>	<u>Current Year (FY 1973)</u>
A. <u>Productivity</u>					
Training	NA	NA		NA	
Student Days			19,650		20,000
Students			687		700
Languages			23		23
Testing					
No. of Tests	NA	NA	1,194		1,200
Hqs. Classes					
In Russian	NA	NA	22	NA	35
Cassettes					
(loaned for home study)	NA	NA	5,100	NA	5,500
B. <u>Service</u>	NA	NA	NA	NA	NA
C. <u>Quality</u>	NA	NA	NA	NA	NA
D. <u>Cost</u>	NA	NA	NA	NA	NA

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5. Assessment of Performance:

- a. Reasons for short fall or above average performance: The project has been operational since January 1971; a statistical base on which to evaluate program is only now becoming available.
- b. Corrective action initiated or required: NA
- c. Target dates for improvement objective achievement: FY 1975

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1. Project: Professional Manpower Input.
2. Program or Function: Selection and initiation of processing of professional applicants.
3. Summary Statement of Improvement Approach:
 - a. Description: Selection, from among professional applications developed by recruiters, of candidates who appear best qualified, and initiation of clearance processing.
 - b. Reasons for Selection: This project is at the center of the professional manpower procurement system which starts with a forecast (Advance Staffing Plan) of requirements for the coming year, by category and numbers. The end objective is to provide qualified, cleared candidates in adequate numbers to fill vacancies as they develop, but because of the time period between initial recruitment and eventual EOD, achievement of the objective depends upon maintaining a sufficient number of applicants in the clearance process at all times. Experience data indicate approximately what the numbers should be to provide a given number of EOD's. The "in-process" requirement thus is both the recruiters' goal and the key to meeting employment needs.
 - c. Evaluation of the Improvement Techniques Utilized:
 - (1) monitoring the ratio of recruiter contacts - applications developed - selections for processing - EOD's, as a guide to adjustments in the volume needed at each stage.
 - (2) keeping a running tally of EOD's in relation to estimated staffing requirements and ceiling allowances.
 - (3) periodic analysis of costs in terms of manpower required in each organizational element in relation to performance.
 - (4) analysis of time required from initiation to completion of processing.

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<u>PERFORMANCE INDICATORS</u>	<u>PERFORMANCE</u>		<u>OBJECTIVES</u>
	<u>BPRI*</u>	<u>BASE YEAR (FY 1972)</u>	<u>CURRENT YEAR (FY 1973)</u>
A. <u>Productivity</u> Applicants put in process per man-year	A	35.75	42.75
*B. <u>Service</u> See ** below			
C. <u>Quality</u> Quality of applicants and effectiveness of system as reflected in ratio of total applications to numbers selected for processing to EOD's	A	7-3-1	6, 7-2, 5-1
D. <u>Cost</u> Unit cost per applicant in process in man-year	A	.028	.023

*Base Period Reference Indicator - A = past year

**Data on average processing time per applicant not available for 1972; will be accumulated in 1973.

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1. Project: Co-operative Program for Engineers and Printing Specialists.
2. Program or Function: The project is designed to attract qualified students in critical categories into Agency employment while the candidates complete their formal education.
3. Summary Statement of Improvement Approach:
 - a. Description: The Office of Logistics, in conjunction with the Office of Personnel, will actively recruit qualified undergraduate students in the fields of engineering and printing. The candidates chosen for inclusion in the program will complete their educations, while working alternate semesters in the Office of Logistics. Upon graduation, the candidates will be processed for employment as professionals in the Agency.
 - b. Reasons for Selection: Project was selected to assure future adequate staffing in the critical areas of engineering and printing.
 - c. Evaluation of the Improvement Techniques Utilized: Project was recently established and has not been in existence for sufficient time to permit adequate evaluation of its usefulness.
4. Improvement Objectives and Performance Indicators:

Objective of project is to recruit, assess, and train students in engineering and printing for future employment with the Agency.

5. Assessment of Performance:

In light of the relative newness of project (May 1972), no data base exists at this time for assessment of performance.

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1. Project: Simplification of Financial Property Accounting System (FPA).
2. Program or Function: Modification of all Type III Stations and Property In-Use Accounts to a more simplified FPA System.
3. Summary Statement of Improvement Approach:
 - a. Description: The conversion of all Type III Stations and Property In-Use Accounts to a more simplified system, but retain the information required to manage the property in accordance with regulations.
 - b. Reasons for Selection: The reason is to eliminate the cumbersome reconciliation process, relieve the field stations of some admin requirements, and rely on the annual station audits for verification of records.
 - c. Evaluation of the Improvement Technique Utilized: The modification of the FPA System will reduce the computer postings each year, the burden of writing and pouching documents to/from the field on reconciliation problems and reduce the problems involved when property is transferred from one Financial Property Accounting System to another.
4. Improvement Objectives and Performance Indicators:

<u>Performance Indicators</u>	-----Performance-----			-----Objectives-----	
	<u>BPRI</u>	<u>Base Year</u>	<u>Past Year</u>	<u>Past Year</u>	<u>Current Year</u>
	(FY 71)	(FY 72)			

- a. Property Vouchers processed each year at Headquarters under present FPA System.

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<u>Performance Indicators</u>	<u>-----Performance-----</u>			<u>-----Objectives-----</u>	
	<u>BPRI</u> (FY 71)	<u>Base Year</u> (FY 72)	<u>Past Year</u>	<u>Past Year</u>	<u>Current Year</u>
b. Manhours required to process FPA Vouchers per year.	A	4,160	3,640	4,160	* 504
c. Percent of Vouchers and Consolidated Memorandum Receipt Accounts with errors requiring reconciliation with Field Stations.	A	30	15	20	* 2
d. Cost in Manhour dollars to maintain Type III accountability at Headquarters.	A	\$18,554	\$17,795	\$19,018	* \$2,716

*These are requirements to simplify the Type III and Property In-Use during FY 73 and complete the phaseout of the old system. There will be no cost in FY 74 since two personnel slots will have been reduced and no computer postings required as a result of this program.

5. Assessment of Performance:

- a. Reasons for short fall or above average performance: This is a new project scheduled to commence 1 Sept. 1972. Therefore, no assessment of performance is available.

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- b. Corrective action initiated or required: The action initiated will be the transfer of accountability to field stations with less required reporting to Headquarters. The annual audit will assess the success of the program.
- c. Target dates for improvement objective achievement: The success of this program cannot be recognized until late 1974 when the stations have used the new system for a year and been audited to show the problem areas.

NOTE: During the reporting period, all Type II accountable stations' system of Financial Property Accounting was modified thus providing a more easily managed property system and at the same time afford sufficient information to manage the property in accordance with Federal requirements.

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1. Project: Procurement Management Survey.
2. Program or Function: Management Survey of the Decentralized Contracting Elements.
3. Summary Statement of Improvement Approach:
 - a. Description: Procurement management personnel, assisted by computer-generated analyses of each contracting element's workload, will make a detailed review of procurement planning, contract negotiation, administration, contract settlement, and resource management.
 - b. Reasons for Selection: The project was selected to insure that the contracting elements are operating efficiently and pursuant to established policies and regulations, and to identify areas requiring management attention.
4. Improvement Objectives and Performance Indicators:
 - a. Productivity - The survey will identify the work process followed by each contracting element with a view toward refining the process and thereby permitting the contracting element to concentrate its efforts on the essential elements of the procurement process. No objective criteria is currently available to measure performance. One objective of the survey is to identify standards which may be employed to measure productivity in the future.
 - b. Service - The survey will identify timeliness of the contracting element in responding to requests for procurement service by requiring offices and timeliness of response to contractor claims and/or requests.

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- c. Quality - The survey will review the work product of the contracting element to determine that effective techniques are employed in the negotiation, drafting, and administration of contracts.
- d. Cost - This project does not address cost directly; however, the results of the survey may lead to a change in the expense of procurement support.

5. Assessment of Performance:

The management survey will be continued on an annual basis to evaluate the effectiveness of each contracting element. Due to the fact that the Base Year for this project is FY 1973, a data base for assessment of performance has not been established at this time.

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1. Project: Maintenance and Upgrading of Agency Utilities Systems in the Metropolitan Washington Area.
2. Program or Function: To provide for the maintenance and upgrading of Agency facilities in the Metropolitan Washington Area.
3. Summary Statement of Improvement Approach:
 - a. Description: To provide reliable utilities systems of sufficient capacity to meet and support present and planned operational requirements on an orderly basis.
 - b. Reasons for Selection: This project forms the heart of supporting many vital Agency operations and, without utilities systems of sufficient capacity and reliability, a serious impairment of these operations would result.
 - c. Evaluation of the Improvement Techniques Utilized: Through studies, surveys, and actual experience, problem areas are defined and alternative solutions evaluated primarily against reliability and cost effectiveness.
4. Improvement Objectives and Performance Indicators:

The provision of reliable utilities systems are difficult to measure as finite performance indicators because they are supportive of other operations which have different performance indicators. As a result of the efforts achieved this year, the utilities systems were made more reliable, a major objective of this program.
5. Assessment of Performance:
 - a. Reasons for short fall or above average performance: The upgrading and improved maintenance of utilities systems at the Headquarters Complex and NPIC continued at an accelerated pace. Electrical and heating, ventilating, and air-conditioning (HVAC) projects were continued and expanded. The

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Headquarters Utilities Reliability Study was completed in December, and an HVAC Reliability Study was funded in June. At NPIC a contract was let for a utilities reliability study and the installation of a 150-ton chiller to serve the critical areas of the building was completed; repair of two 800-ton chillers was undertaken with replacement of the third large chiller underway. These actions increased utilities systems capacity, and more reliable operations were obtained. A significant improvement in the management of utilities requirements at the Headquarters Complex has been achieved through the orderly planning and subsequent budgeting for this type of support as a separate budget entry.

- b. Corrective action initiated or required: The replacement of major items of equipment and other capital improvements are tied to subsequent budget years. However, in FY 1973 the results of the HVAC Reliability Study for Headquarters and the Utilities Reliability Study at NPIC will be available for evaluation, and necessary work resulting from these studies will be planned and budgeted for as required.

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1. Project: Automated Payroll System.
2. Program or Function: Employee Payrolling.
3. Summary Statement of Improvement Approach:
 - a. Description: Implement a new integrated computer based payroll system for all personnel under official cover. The new system will result in (1) biweekly payrolling for all such personnel, (2) more effective use of the computer for all aspects of the payrolling process, (3) better and more timely information to personnel overseas detailing the elements of gross pay, deductions and leave balances and (4) printing of U. S. Savings Bonds on the basis of a computer prepared tape rather than on the basis of addressograph plates.
 - b. Reasons for Selection: The project was selected to provide for more effective use of people, space and equipment and to provide an improved end product.
 - c. Evaluation of the Improvement Techniques Utilized: Not applicable.
4. Improvement Objectives and Performance Indicators:
 - a. Productivity - The ultimate objective is to accomplish all elements of the payrolling process with better and more timely information to employees on the composition of pay and leave balances, effect salary payments to personnel overseas on a biweekly basis compatible with the frequency of salary payments for other Government personnel and to provide for more effective use of resources required for accomplishing the payrolling activity.

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- b. Service - All Agency employees will be covered by the new payroll system; it is expected that the number of Compensation and Tax Division personnel directly or indirectly concerned with payrolling Agency employees will decline from 37 to 33 when the system is fully operative. The average pay case workload on this basis will increase from a productivity increase of 12 percent. The savings in payroll costs for the four person reduction in C&T Division is estimated at \$32,000 per annum; the reduction in space for these four persons will be offset by the requirement for space for microfilm readers.

5. Assessment of Performance:

Implementation is currently targeted for the first pay period in 1973.

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1. Project: Information Science, Management Science Training Program
2. Program or Function: OTR - Internal Training.
3. Summary Statement of Improvement Approach:
 - a. Description: Emphasis on the program is on the uses of intelligence and management information systems, not the system specialist. The methods covered include computers and information systems, time-sharing terminals, network analysis, queueing theory, linear programming, probability, statistics, forecasting, modeling and simulation, and other methods in the fields of operations research, systems analysis and management science. These methods are taught in the context of the collection, production, and support of intelligence, and the management of these tasks.

The program consists of eight courses varying from one to six weeks in length. The instruction includes practical exercises in which the student solves real intelligence and management problems using a specific information science method, time-sharing computer terminals and library routines.
 - b. Reasons for Selection: The project was selected in recognition that intelligence is to a considerable degree a special form of information handling to which information science is directly applicable. Although major accomplishments have been made in the application of information science to intelligence, there remain many opportunities to extend this application broadly at the working-level and at the

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management level. The powerful time-sharing computer systems which exist and are being developed provide the capability to exploit these opportunities. However, a wider scale of training in the use of these capabilities is also essential.

- c. Evaluation of the Improvement Technique Utilized: Such techniques as network analysis, queueing theory, and linear programming are directly applicable to the intelligence analysis of rail and highway transportation systems, communications systems, industrial complexes, weapons production, economic intelligence, current intelligence, and other intelligence fields. Decision-theory, Bayes' theorem, cost-effectiveness analysis, forecasting, linear programming and other management science methods are directly applicable to the management functions of planning, organizing, controlling, communication, and decision-making. All of these techniques have been successfully applied on a small pilot scale in the areas mentioned. In some cases qualitative improvements have resulted, such as reduced risk or uncertainty in decision making, or more accurate intelligence. In one management case a five-man-month job was done in one week using correlation and regression methods on a time-sharing terminal.

This program is currently operated by the CIA both as an internal training program for CIA personnel, and, in addition, for USIB member agencies, and includes students from DIA, NSA, State Department, the Military Services and other members of the Intelligence Community.

4. Improvement objectives and performance indicators:

-----PERFORMANCE-----			-----OBJECTIVES-----		
Performance Indicators	BPRI	Base Year (FY 1971)	Past Year (FY 1972)	Past Year (FY 1972)	Current Year (FY 1973)
A. <u>Productivity</u>					
Applications processed per man-year	NA	120 students	120 students	120 students	620 students
B. <u>Service</u>					
Average total processing time per application in days	NA	40	40	40	10
C. <u>Quality</u>					
Per cent of applications requiring reprocessing	NA	-0-	-0-	-0-	-0-
D. <u>Cost</u>					
Unit cost per application in dollars	NA	\$1200	\$1200	\$1200	\$400

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5. Assessment of Performance:

The program is essentially a new program which is transitioning out of the test and pilot stage into an operating program. For these reasons comparisons with past performance are not directly applicable. However, the program is proceeding on schedule and meeting objectives.

- a. Reasons for Short Fall or Above Average Performance: Not applicable..
- b. Corrective Action Initiated or Required: Courses have been revised, tightened, and shortened and are being applied more broadly in FY 1973. Economics of scale are being achieved with this broader application.
- c. Target Dates for Improvement Objective Achievement: Target date for FY 1973 program is the end of FY 1973.

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1. Project: Microfiche Program for retired files.
2. Project or Function: Security Records and Communications Division, Personnel Security Directorate, Office of Security files retirement program.
3. Summary Statement of Improvement Approach:
 - a. Description: A microfilm operation for files reduction.
 - b. Reasons for Selection: Developed in compliance with the Executive-Director Comptroller's memorandum of 6 July 1971 to each Directorate to initiate aggressive and systematic action to reduce the net annual increase in the storage loads imposed on the Agency Records Center to zero. This project was selected after a file management study was conducted of SR&CD by the Support Service Staff. In a pilot project, 3 cubic feet of files were reduced to 3 1/2 linear inches of 4" by 6" microfiche diazo aperture cards. A requisition for a microfiche step and repeat camera, a microfiche reader and printer, and three microfiche readers were procured with FY 1972 funds just prior to the requisitioning deadline for the fiscal year.
 - c. Evaluation of the Improvement Techniques Utilized: A highly useful program. The target is to achieve a net zero increase in retired files.
4. Improvement Objectives and Performance Indicators:

<u>Performance Indicators</u>	-----Performance-----			-----Objectives-----	
	<u>BPRI</u>	<u>Base Year</u> (FY 1971)	<u>Past Year</u> (FY 1972)	<u>Past Year</u> (FY 1972)	<u>Current Year</u> (FY 1973)
a. Productivity Net files retired to Records Center	NA	10861	19645	19645	19645*

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<u>Performance Indicators</u>	<u>Performance</u>			<u>Objectives</u>	
	<u>BPRI</u>	<u>Base Year</u> (FY 1971)	<u>Past Year</u> (FY 1972)	<u>Past Year</u> (FY 1972)	<u>Current Year</u> (FY 1973)
b. Service**					
c. Quality**					
d. Cost**					

5. Assessment of Performance:

- a. Reasons for short fall or above average performance: This data will be developed during FY 1973.
- b. Corrective action initiated or required: Not applicable to this report.
- c. Target dates for improvement objective achievement: Target date for improvement objective achievement - a net zero increase in retired files should be achieved by 30 June 1973, i.e., the number of files reactivated from the Records Center to be microfiched should equal the number of files retired. The microfiche project is beginning with the oldest files. The file retirement program initiated in 1959, also began with the oldest files. As of 30 June 1972, 245434 files have been retired to the Records Center.

* The number of files to be microfiched in FY 1973 to achieve net zero growth in OS holdings at the Records Center.

These items will be developed as the microfiche program is carried out in FY 73.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Next 1 Page(s) In Document Exempt

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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1. Project: Revision of Medical Records System.
2. Program or Function: Project involves the revision of the system for maintaining the medical charts of Agency personnel and dependents in the Office of Medical Services Medical Chart Room. There are some of these charts. Organizationally, the Chart Room is operated by the Registrar Branch of the Support Division of the OMS.

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3. Summary Statement of Improvement Approach:

- a. Description: Objective is to revise the present system for the creation, storage and retrieval of these records by introducing a terminal-digit, color-coded system with charts of dependents reduced to microfilm

b. Reasons for Selection:

(1) Office of Medical Services is running out of space in its Chart Room. At the present rate of records creation, and with the present system of records storage, it is estimated there will be no more space for new records within twelve months. Microfilming charts of dependents will tend to relieve this space problem, as will the redesign of the Chart Room for the new system.

(2) Terminal-digit, color-coded files are more efficient in that misfilings are less frequent and are easier "back-filing" for new accessions, the "randomizing" of file servicing relieves file and employee congestion, and the more active files may be centralized for greater accessibility.

(3) The revised system will be compatible, as the present system is not, with the ultimate computerized filing and information processing system we envision. Such a system requires a unit record for each individual--employee and dependent--and coincidentally, will meet the standards prescribed for the maintenance of medical records by the Joint Commission on the Accreditation of Hospitals.

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- c. Evaluation of the Improvement Technique Utilized: A management evaluation will be made to ascertain whether the revised records system is more effective, i.e., if in fact the efficiency of the Chart Room in the creation of files, file discipline and file servicing is improved. A more direct and immediate judgment should be possible as to whether the space problem in the Chart Room is relieved by the revised system.
4. Improvement Objectives and Performance Indicators: Improvement in service and quality is the overall objective and the goals accomplishment will be controlled essentially by the availability of manpower and financial resources.
5. Assessment of Performance:
 - a. Reasons for short fall or above average performance: The basic problem is that the Agency Medical Program has outgrown its system for the creation, storage and retrieval of medical records.
 - b. Corrective action initiated or required: Immediate action is required to solve the space problem in the storage of these records. A revised system is also required to preclude such space problems, and to provide a more efficient system that will (1) meet the accepted standards for medical records maintenance, and (2) assure a sound basis for the expansion of OMS activities in the Multiphasic Testing and Periodic Health Evaluation Program scheduled for initiation in FY 1974.
 - c. Target dates for improvement objective achievement:
 - (1) September 1972 - decisions on (a) the acceptability by users of microfilmed dependent records, and (b) specific file reorganization in the OMS Medical Chart Room.
 - (2) October 1972 - initiation of file conversion with (a) simultaneous microfilming of dependent records if additional funds become available, or (b) whatever additional personnel may be made available if additional funds do not become available.
 - (3) FY 1974 - complete conversion to new records system.

25X1

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Next 1 Page(s) In Document Exempt

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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1. Project: Not designated.
2. Program or Function: Field Support.
3. Summary Statement of Improvement Approach:
 - a. Description: Continue study of use of field-located computer to support large Stations in Southeast Asia.
 - b. Reasons for Selection: To determine if field ADP support can, over a period of years, lead to savings in both money and manpower.
 - c. Evaluation of the Improvement Techniques Utilized: Not determined.
4. Improvement Objectives and Performance Indicators:
 - a. Productivity: The purpose of this study is to
 - b. Service: determine if any of these objectives
 - c. Quality: can be attained through the
 - d. Cost: application of ADP in a regional field area.
5. Assessment of performance:
 - a. Reasons for short fall or above average performance: Not yet conclusive---study will continue in FY 1973.
 - b. Corrective action initiated or required: Will be undertaken as experience and evaluation warrants.
 - c. Target dates for improvement objective achievement: Not specified.

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DD/P

1. Project: Centralization of overview of the Narcotics Program.
2. Program or function: Form an organizational component to centralize Agency overview of its activity in the Narcotics Program and serve as the channel to other USG agencies involved in the National effort against narcotics.
3. Summary Statement of Improvement Approach:

The Agency either serves on or supports the several U.S. Government committees and agencies involved in the anti-narcotics program. In the interest of efficiency, control, and direction, a special group was organized within the Office of the Deputy Director for Plans to serve as a focal point for all related matters.

4. Improvement Objectives and Performance Indicators:

<u>Performance</u>	<u>Objective</u>
The Group was formed on 12 June 1972.	
To improve review of R&D related activities in the narcotics field between the research branches of DDS&T and TSD.	To increase the relevancy and priority relationships of the R&D programs within severely constrained resource allocations.
To coordinate CIA narcotics R&D with other governmental agencies.	To remove duplication.
To review CS foreign projects and activities (narcotics).	To insure proper allocation of manpower and resources against available drug targets.
To review and monitor CIA involvement in CCINC.	To insure that the Agency's manpower and resource commitments to this activity are coordinated to produce optimum effectiveness.

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5. Assessment of performance:

The element was formally organized just prior to the close of FY 1972, hence performance and goals outlined above are pertinent for FY 1973 and subsequent years.

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DD/P

1. Project: NA.
2. Program or Function: Counterintelligence as it relates to COMINT.
3. Summary Statement of Improvement Approach:
 - a. Description: The project involves the more precise definition of the counterintelligence function of Communications Intelligence and the reorganization of the COMINT CI section.
 - b. Reasons for Selection: This project is at the point of implementation and the planned action should be initiated and completed in FY 1973.
 - c. Evaluation of the Improvement Techniques Utilized: The principal improvement sought is in functional effectiveness rather than cost effectiveness or personnel savings.
4. Improvement Objectives and Performance Indicators:

Performance

Objective

The project is designed to improve the effectiveness of the COMINT contribution to counterintelligence.

The improvement objective is in terms of service quality.

5. Assessment of Performance:

The project has not yet been put into effect. It will be carried out before the end of FY 1973.

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25X1

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECRET

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1. Project: Intelligence reporting.
2. Program or Function: Field and Headquarters intelligence reports provided by WH Division.
3. Summary Statement of Improvement Approach:
 - a. Description: A Reports Review Panel (DC/WH, C/WH/RR, the appropriate Branch and Desk Chiefs and Reports Officers) was established to evaluate the quality and significance of positive reporting as related to the Operating Directive and to U.S. Policy interests.
 - b. Reasons for Selection: Part of continuing effort to assure the flow of needed, significant information; permits better evaluation of Station performance as related to the Station's Operating Directive.
 - c. Evaluation of the Improvement Techniques Utilized: This system permits Headquarters and the field to have on hand a current record of the volume and quality of reporting from each producing source and on each intelligence sector that the Station is assigned to cover. In evaluating reports, it is also possible to provide requirements tailored to the source which helps assure the flow of needed, significant information and to redirect the Station collection effort on to higher level priorities.
4. Improvement Objectives and Performance Indicators:
 - a. Productivity: Disseminations (7,027 in CY 1971; 3,786 in Jan - June 1972).
 - b. Service: N/A
 - c. Quality: N/A
 - d. Cost: N/A

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5. Assessment of Performance:

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- a. Reasons for short fall or above average performance: Among the steps taken by the Division to improve the flow and quality of intelligence reporting, a Division-wide source review showed the demonstrated access of each source. It also showed which sources could report on each of the general intelligence sectors, and gave desk and field officers a better impression of the performance and responsibilities of the agents. The need to provide the field with intelligence requirements tailored to the access of the source and to unfolding developments was emphasized. These efforts are contributing to the rising average monthly reports production
 - b. Corrective action initiated or required: N/A
 - c. Target dates for improvement objective achievement: N/A

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1. Project: Centralization of Directorate CIRIS Reporting.
2. Program or Function: The Consolidated Intelligence Resources Information System, in effect since 1968, is a data system which incorporates information on the activities and resources of those United States foreign intelligence organizations and programs that are associated with intelligence at the national level. The data permits identification and display with reasonable accuracy the interrelationships among intelligence undertakings, intelligence targets and objectives, and intelligence costs.
3. Summary Statement of Improvement Approach:
 - a. Description: To relieve Directorate components of the burden of CIRIS reporting.
 - b. Reasons for Selection: With the great increase in reporting requirements levied at the Agency level, it is essential that line components be spared to the extent possible and fullest use be made of already reported data.
 - c. Evaluation of the Improvement Techniques Utilized: CIRIS reporting at the Directorate level affords uniform treatment of data, insures more effective use of already reported data, saves manhours, and is one less diversion that has previously distracted components from primary missions.
4. Improvement Objectives and Performance Indicators:

Performance

By exploiting data not previously contained in the Program Submission, two officers were able to compile the Directorate response.

Objective

To eliminate a significant amount of effort and paper work which formerly had been prepared by each component and subsequently had to be transcribed and aggregated into an overall Directorate response.

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5. Assessment of Performance:

The same benefits are expected to accrue in succeeding years.

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DD/P

1. Project: Reorganization of Division Budget and Fiscal Section.
2. Program or Function: Budget and finance operations for Division.
3. Summary Statement of Improvement Approach:
 - a. Description: Two sections of the Support Staff were engaged in finance activities--Budget & Fiscal handling Headquarters finance operations, and the Division Budget, and the HEADSET section, handling Class B field accounting.
 - b. Reasons for Selection: Fluctuating workloads and consequent requirements for periodic additional personnel, pointed out lack of communication/training between two sections engaged in essentially similar activities.
 - c. Evaluation of the Improvement Techniques Utilized: Workload study and evaluation of possible reorganization indicated complete operational feasibility and savings in manpower.
4. Improvement Objectives and Performance Indicators:
 - a. Productivity: N/A
 - b. Service: N/A
 - c. Quality: N/A
 - d. Cost: Savings of \$48,000 in Personnel Costs annually (3 positions).

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5. Assessment of Performance:

- a. Reasons for short fall or above average performance: Better organization and communication and more efficient use of manpower--with no loss in quality of work.
- b. Corrective action initiated or required: None required.
- c. Target dates for improvement objective achievement: Completed.

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DD/P

1. Project: Narcotics intelligence.
2. Program or Function: Directorate actions to adjust to increased emphasis on the international narcotics target and the corresponding requirements for intelligence and closer collaboration with BNDD, Customs, and other concerned agencies.
3. Summary Statement of Improvement Approach:
 - a. Description: This target differs in many respects from the more traditional intelligence objectives and our first effort was to acquire some knowledge of the target - characteristics, modus operandi, etc. Field stations provided summaries of the situation in each area; narcotics referents were identified in each Station; a Headquarters staff element to coordinate the Division effort was established. Procedures and policies dealing with interagency coordination, source registries, intelligence requirements, use of liaison relationships, and operational support to other agencies were defined and sent to the field. A seminar was conducted for Headquarters officers, and a prospectus developed future training efforts. As the FY drew to a close, plans were well advanced for a conference of field narcotics referents [] with participation by representatives of State, Treasury, Customs, BNDD, and the White House.
 - b. Reasons for Selection: By direction of highest level of U.S. Government.
 - c. Evaluation of the Improvement Techniques Utilized: Although too early to render conclusive judgment on the above approach to the problem, our initial assessment is optimistic. A good start has been made on developing a coordinated organizational approach to the target; communications, coordination, reporting, and analysis procedures are becoming more effective.
4. Improvement Objectives and Performance Indicators:

N/A

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5. Assessment of Performance:

Much progress has been made in re-deploying and retargeting available assets to accord with the high priority designated the acquisition of more and better quality intelligence on international narcotics traffic. Management has devoted much time and attention to insuring that priority action is being taken. Four Area Divisions are devoting some 77 man years to this objective; 56 of these represent the time of field station personnel whose efforts have been shifted from other requirements.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECTION III - FINANCIAL ACCOMPLISHMENTS AND PLANS

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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PART A - SIGNIFICANT ACCOMPLISHMENTS AND FUTURE PLANS

1. 1972 Accomplishments

The financial management improvement effort during FY 1972 continued to be concentrated principally in (1) improvement of the Agency's financial data base, (2) design and development of financial data evaluation tools and (3) simplification and refinement of accounting and reporting procedures. The more significant accomplishments were:

a. Organization

- (1) In the Office of Planning, Programming and Budgeting, the Team or Group concept in the organizational structure was revised along Directorate rather than program lines to facilitate the services required in resource management. Program overview was maintained within the revised structure through assignments of secondary responsibilities to the Groups. Program and budget review responsibilities were integrated throughout the revised structure with a resulting savings of seven staff positions over a two-year period.
- (2) Accomplished an organizational realignment within the Office of Finance which provides for more efficient administration and utilization of available manpower. The major changes were:
 - (a) elimination of the former three directorates (Finance Operations, Accounts and Audit, and Liaison and Planning), (b) establishment of a new position of Deputy Director for Special Activities, (c) organizational separation of the financial analysis function from the intra-Governmental liaison function, (d) establishment of a new position of Chief, Plans and Systems with responsibility for the functions of the former Policy and Planning Staff and the financial analysis and systems functions formerly assigned to the Analysis and Liaison Staff and (f) realignment of the internal management responsibility for the Office of Finance operating divisions.

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b. Budgeting

- (1) Continued the utilization of the computer-based Automated Budget Control System (ABC) as a key mechanism in Agency budgeting, and more specifically, in the formulation and justification of the FY 1973 Budget and the FY 1974 Program Submission.
- (2) Improved the evaluation of obligation progress during the budget execution phase by the use of a computer-based trend report provided by the ABC System on an Agency-wide basis. Concurrently, an Agency-wide special trend report on personal services obligations was established to monitor this large and important share of the Agency's budget as these obligations developed from month-to-month during FY 1972.
- (3) In the 1974 Program Submission a new evaluation system was initiated and implemented to provide ratings of the priority and performance at the project level--the basic building blocks of the program and budget. Additionally, target data was incorporated into the data base of the ABC System for the first time.

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(4)



c. Accounting

- (1) Simplified the financial property accounting system by modifying financial controls over nonexpendable property at non-depot type installations.

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The modified procedures eliminated the requirement for financial property accountability entries for individual acquisitions and transfers; instead, financial records are adjusted based on annual dollar value reports from the installations involved. This simplification eliminated (a) duplicate handling and transmission of shipping documents, (b) approximately 75,000 financial accounting entries per year and (c) the tracing, reconciliation and storage of detailed property reports from installations. Conventional property control procedures coupled with audit reviews of practices followed provides adequate assurance that the property is available for official use.

- (2) Implemented methods to utilize the Computer-Output-Microfilm (COM) processing facility for producing current financial records and reports on microfilm in lieu of hardcopy printouts. The film is used for both reference in daily operations and eventual long-term storage. The work and expense associated with handling and storage of records in hardcopy form were eliminated.
- (3) Extended pre-contract audit services through assignment of a "liaison auditor" to an additional decentralized procurement activity. Under this arrangement the research and development officers and the auditor have offices in proximity with each other. This enables them to achieve maximum efficiency in operations through use of the "team" concept.
- (4) Developed a concept for a simplified financial accounting process for field stations. Under the concept a minimum amount of accounting would be done in the field with information recorded to be appropriately coded for computer processing. In concept, the computer would, on the basis of coded inputs, perform all operations related to the financial accounting and reporting process except audit and certification of transactions.
- (5) Commenced the design of an integrated contract information system (CONIF). This system will provide a centralized data base for overall management, contract monitoring, invoice payment, and audit of Agency contracts.

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- (6) A proposed project for the microfilming of financial posting vouchers was tested and determined to be both feasible and economical. This project when implemented will result in the destruction of some 800 cubic feet of official records annually which heretofore have been retired for the prescribed twelve-year retention period. In lieu thereof, some 25 feet of microfilm will be retired.
- (7) Completed the first full year test of computer processes to determine the correctness of monetary values on posting vouchers. During the year some 90,000 vouchers representing 900,000 line items were processed through this program. Errors identified by the computer for correction averaged only one for each 2,000 line items.

d. Auditing

The Agency Audit Staff increased its capability and emphasis in the review and evaluation of the efficiency and effectiveness of computer systems and operations. This was accomplished through the assignment of additional personnel to this phase of the audit program and extensive training of personnel in automatic data processing.

e. Training

Pertinent statistics are provided in Tab A attached, evidencing the continuing attention which is being accorded internal and external training programs for financial management.

f. Automation

The Agency's Support Information Processing System (SIPS) was established a few years ago with the prime objective of developing an integrated computer-based system for the management of personnel, financial, and material resources. Three of the more important SIPS achievements that benefitted Agency financial management during fiscal year 1972 were:

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- (1) Plans were made to replace the ABC system with an upgraded system representing the initial module of the financial portion of the integrated system referred to above. This module for budgetary data will provide:
 - (a) An on-line update facility.
 - (b) An on-line customer query capability.
 - (c) A flexible reporting service involving the use of variable columns of data.
 - (d) Exception reporting.
- (2) Several automated trend reports comparing actual results with budgeted plans were developed to satisfy the unique requirements of individual office managers.
- (3) The position information schedule for the regular employee category was automated.

2. Future Plans

a. Budgeting

- (1) Improve the evaluation system at the project level by the refinement of priority and performance ratings and incorporating such ratings into the Integrated Financial Control System.
- (2) Revise current trend reports and their use to facilitate a more comprehensive evaluation of program progress and to identify areas where unfunded requirements can be accommodated.

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- (3) Establish more comprehensive budget data justification in the area of technical equipment and material procurement.
- (4) Revise the budget structure to one which is more mission-oriented, eliminate all arbitrary spreading of support costs, and thereby establish a direct relationship between the budget as developed and presented to OMB and Congress and the manner in which the Agency operates, including the accounting structure.

b. Accounting

- (1) Develop and implement an automated system for controlling property requisitioning authorizations. Such a system will eliminate a manual record keeping requirement and would improve the data base available for budgetary purposes.
- (2) Complete design of integrated contract information system (see para. 1c(5), above).
- (3) Continue work on concept for simplified financial accounting process for field stations including participation with the Office of Communications in an experiment utilizing current communications technology for transmission of financial information for direct input to the computer.
- (4) Publish a digest of policy interpretations concerning application of Agency regulations for financial administration. The digest will be designed for the general information and guidance of certifying officers at headquarters and field installations.

c. Auditing

Increase emphasis on the review and evaluation of management controls, procedures, and practices.

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d. Automation

- (1) The objective of a totally integrated information system covering personnel, financial, and materiel resources will be nearer to fulfillment when the budget control portion of new interactive financial control system becomes fully operative during Fiscal Year 1973. Specific items of coverage are:
 - (a) The allotment process.
 - (b) Most of the remaining budget schedules.
 - (c) A more flexible reporting system.
- (2) Plans will be developed to extend the interactive financial control system to to accounting activities during Fiscal Year 1974.
- (3) Finalize plans and initiate installation of strategically located Data Management Centers in Fiscal Year 1973. These centers will be the focal points for data input, query control and reports distribution and are expected to facilitate the managerial process by:
 - (a) Optimizing the utilization of equipment and technical personnel.
 - (b) Providing expertise in data handling.
 - (c) Automating the distribution of reports.

e. Other Improvement Effort

Continue efforts to implement new computer-based integrated payroll system for all personnel under official cover. (See the write-up for the Automated Payroll System in Section II.)

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f. Training

In the achievement of financial management objectives there will be continued participation in already established training activities relevant to financial management. In addition, increased emphasis is planned in training to enhance the utilization of the Agency's interactive financial control system now being developed. Specific new efforts are planned as follows:

- (1) The development of an information science training program to provide general familiarization and skills in computer and information science technology.
- (2) A new course combining budget preparation techniques and computer techniques is scheduled for November 1972.
- (3) Indoctrination seminars covering computerized budgeting and accounting will be offered next spring to operating management.

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PART B - STATUS OF APPROVAL OF ACCOUNTING SYSTEMS

Organization and/or Accounting Entity	Status of Approvals by the Comptroller General		System in Operation
	Principles and Standards	Accounting System Design	
(a) Central Intelligence Agency	(b) The CIA Act enjoins the DCI to protect the security of Agency techniques and activities. Consequently, the Agency accounting system is not submitted for review by the General Accounting Office. However, the Agency system is in compliance with the principles and general standards established by the GAO.	(c)	(d)

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INTERNAL TRAINING:

Institution

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Course

Courses Given

Time Period Per Course

TAB A

Number of Participants

Field Fin & Log	8	3 weeks	103
ADP Orientation	6	3 days	218
Advanced Mgmt. Planning	3	1 week	103
Managerial Grid	6	1 week	214
Budget Process	1	5 half days	33
Vietnam Orientation			
(Finance Block only)	5	1 day	71

EXTERNAL TRAINING:

Harvard	Advanced Management Program	12 weeks	2
Harvard	Program for Management Development	14 weeks	4
FSI	Economic Studies	6 months	2
U. of Pittsburgh	Management Program for Executives	8 weeks	1
Columbia U.	Executive Program in Business Administration	6 weeks	2
Cornell	Executive Development Program	6 weeks	1
Penn State	Executive Management Program	8 weeks	3
Stanford	Senior Executive Course	8 weeks	1
U. of Chicago	Management Development Seminar	4 weeks	1
Carnegie-Mellon	Program for Executives	9 weeks	1
U. of Florida	Economics	12 months	1
U. of Cal (Irvine)	Computer Science	12 months	1
U. of Maryland	Public Administration	5 months	1
U. of Maryland	Computer Science	9 months	1
U. of Maryland	Economics & Information Systems	12 months	1
American U.	Economics	12 months	1
No. Va.			
Community Coll.	Business Administration	4 months	1
Geo. Wash. U.	Public Administration	12 months	1
Geo. Mason Coll.	Business Administration	5 months	2
Geo. Mason Coll.	Business Administration	3 months	1
CSC/Stanford	Education for Public Management	9 months	2
CSC/Princeton	Education for Public Management	9 months	1
CSC/Harvard	Education for Public Management	9 months	1
CSC	Accrual Accounting Workshop	1 week	2
CSC	Auditing Techniques for ADP Systems	2 weeks	11
CSC	Budget Formulation	1 week	1
CSC	Budget Preparation & Participation	2 weeks	1

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

25X1

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SECTION IV - AUTOMATIC DATA PROCESSING

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS

1. Significant Improvements in the Performance Level of a Program or Function as a Result of Using ADP Capability

a. Planned for Current Year

(1) Dissemination

A management planning study on the dissemination of electrically received cable traffic was completed last year. This study examined the organization of the function and on-going machine-assisted dissemination efforts. The Director, following a review of this study effort, has determined that machine-assisted dissemination should be developed further and that the Office of Communications should have the responsibility for developing a single system for the processing of CIA and non-CIA cable receipts. Design of that comprehensive system is scheduled for completion this Fiscal Year.

(2) Automated Printing

A pilot program will be implemented this year to fully automate the publication of finished intelligence studies. Typing and editing of publications produced by the Office of Scientific Intelligence will be accomplished on a computer terminal. The resultant text will then be computer-processed under the control of the Electronic Processing of Intelligence Composition (EPIC) software system which prepares the data for input to a Photon photo-composing machine. The Photon machine outputs finished pages on film which are then used to prepare plates for offset printing. Terminals have been ordered, and typists are being

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trained in their use. It has been estimated that this method of publication will reduce typing and proofing time by one-half with resultant personnel and publications processing savings.

(3) Administrative Processing

For several years, the Agency has been developing an automated system to integrate and control its administrative (personnel, finance, logistics, security, etc.) functions. Two elements of this Support Information Processing System (SIPS) planned for early implementation are:

(a) Data Management Centers

Several centers will be established to consolidate input and output transactions against the administrative data base. These centers will utilize computer terminals and on-line processing to maintain the data base and to retrieve information from the data base. Consolidation of standardized input transactions into an on-line system will result in a more current, integrated data base and more effective use of personnel and computer resources.

(b) Payroll

The automated payroll system has been redesigned to process all pay transactions through a single system (versus the previous three systems). The new system will increase the capability for handling payroll deductions, provide easier maintenance, and increase reporting capabilities. This system is scheduled for implementation in late Calendar 1972.

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(4) COMINT Collection

Telegraphic (Morse) code intercept represents a fairly significant volume of CIA's COMINT collection responsibility. Human translation of Morse code intercepts is a laborious and time-consuming process. Experimentation indicates that it is feasible to convert manually-sent Morse code to teletype copy via mini-computer processing. The resultant text is not of publication quality, but it is sufficiently comprehensible that it can be scanned for significance. Only significant text requires human quality translation, thus the total volume of human translation is greatly reduced. A pilot project is under development; results should be available this Fiscal Year.

(5) Imagery Exploitation

The National Photographic Interpretation Center is developing improved mensuration programs. Models of functions common to several photographic collection systems are being revised to provide improved application of mathematical formulas. Improved measuring accuracy and savings in computer storage space will result.

(6) Text Searching



from the field. The paper tape will be converted to magnetic tape, reformatted by a computer program, and made available for text scanning on the Rapid Search Machine (RSM).

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(The RSM is a computer-like device developed by GE to perform extremely fast text searches based on key word search criteria.) This method of obtaining text in machine language will save an estimated 1-1/2 man years of typing that was formerly expended to prepare texts for optical character reader input.

(b) The Central Reference Service (CRS) is responsible for bibliographic and document retrieval as a service of common concern to the Intelligence Community. CRS has also developed a machine-assisted dissemination capability for certain cables received in electrical form. (Note This responsibility, as noted elsewhere, will be transferred to the Office of Communications.) The computer programs developed for automated dissemination are also applicable to text searching for document retrieval. CRS has successfully utilized this capability to store NSA cables in machine language and retrieve them utilizing computer and RSM text searching techniques. CRS plans to extend this feature to State and military cables with the ultimate goal of terminating manual indexing and hard copy document storage for electrically received materials.

(7) Collection Evaluation

The Clandestine Service (CS) is implementing a system which will record and recover data on the use of CS reports in Intelligence Community publications. Citations of CS reporting appearing in the intelligence publications of CIA, the State Department, and DIA are stored in a mechanized file which will provide retrieval of data on the usefulness and impact of reporting from a particular source, project or station. This system has potential significance for assessing and planning collection operations.



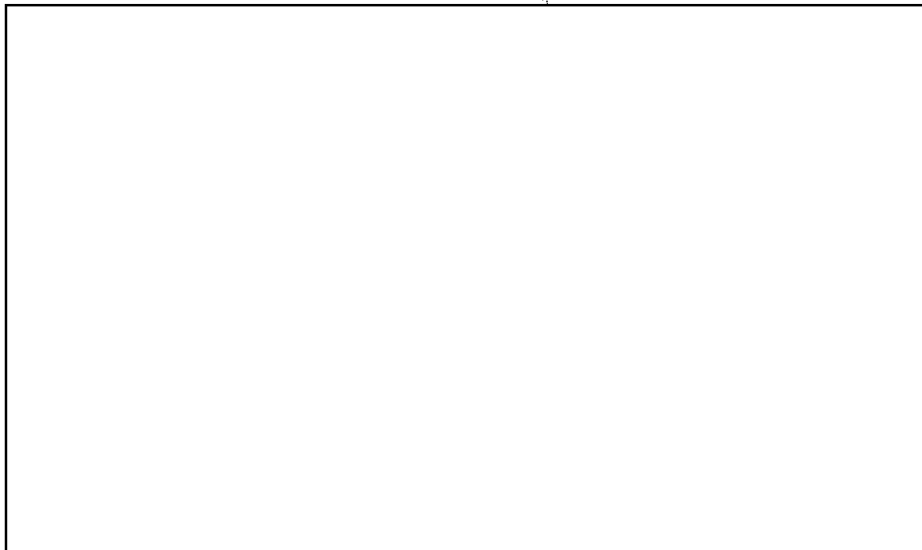
b. Achieved During Past Year

(1) Dissemination

The Machine Assisted Disseminated system (MAD), developed by the Central Reference Service (CRS), became operational in August 1971 for disseminating NSA messages received in electrical form. (As noted under plans, the responsibility for dissemination of electrical materials has recently been consolidated in the Office of Communications.) Using customer requirement profiles in a computer-stored dictionary, MAD disseminates over 1,200 messages per day to over 320 Agency addressees. Fifty percent of the messages are disseminated automatically; the remainder require some human decision by a disseminator working at a visual display unit. The system has resulted in personnel savings and more timely and consistent dissemination.

(2) COMINT Collection

Each of the systems briefly described below saves manpower and speeds the selection and processing of larger volumes of intercept:



(3) Employee Testing

(a) All routine electrocardiograms (EKG's) performed by the Office of Medical Services are now interpreted with computer assistance. Computer-assisted interpretations are more detailed, constant, and standardized. Aside from greater accuracy, physician time is saved on interpreting normal EKG's. The machine held data provides a valuable and growing base for planned medical studies.

(b) All scoring of the results of the Professional Applicants Test Battery (PATB) is now automated. The time of the psychometrists, previously required for this scoring, is now available to perform certain test reporting previously handled by psychologists.

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(4) Communications

A computerized system has been developed for analyzing the characteristics of antennas to aid in the design of antennas. The program determines radiation patterns, impedance, and voltage and current distribution of most wire antennas, particularly in high frequency service. The system produces graphical presentation of antenna performance, reducing some 200 pages of detailed data to one sheet of paper.

(5) Stock Catalog Preparation

Development of an automated system for the alphabetic and numeric indexing of the Agency stock catalog has resulted in an annual reduction of approximately 200 man hours of catalog preparation, a 3-to-1 reduction in computer passes, and a general expediting of the catalog printing process.

(6) Administrative Processing

(a) An automated manpower control system has been designed which integrates record keeping on employees. The system includes such activities/functions as personnel assignment, staffing or "table of organization" control, promotions, insurance and hospitalization, fitness reporting, training, etc. The system will result in a reduction in the number of forms required to document an employee's status, access to more current information, a reduction in master files, and a gradual reduction in hard copy reporting.

(b) An automated budget control system has been adopted which permits a significant reduction in the time allotted to preliminary budget preparation and facilitates correction and updating of budget data. The system allows data collection and reporting at varying depths (by

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organization, program structure, project, object class, and geographic location) in accordance with requirements. Financial information can be reported on an exception basis and with extensive flexibility in format.

2. Significant Improvements in the Management of Computer Facilities and Resources:

a. Planned for Current Year

(1) Central ADP Services

The CIA Headquarters Building has three computer service centers. Two of these centers are of moderate size and are dedicated to supporting local needs. The third center (Office of Computer Services), larger than the other two combined, provides a broad range of data processing services to the whole Agency. During the past year, Agency management examined the pros and cons of centralizing these CIA computer resources under single management. It was determined that the uniqueness of the specialized centers warranted their continued existence, at least for the immediate future, but that the three centers should be more closely unified to provide backup to each other and to share the overall computer load. Consequently, the Executive Director has tasked the three centers to develop common operating/software standards and to cable link themselves together for backup and work sharing. A task team has been established to start implementation of these measures during the next Fiscal Year. In addition, the Office of Personnel has been tasked with developing common qualification and career development standards for systems programmers and computer operators.

(2) Signal Analysis

The Directorate for Science and Technology has recommended that several computer-supported signal analysis functions (e.g., telemetry,

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ELINT, analog-to-digital) performed in separate organizations be consolidated in a Signal Analysis and Processing Center. This consolidation would achieve a closer working relationship among signal analysis components and their users, reduce contractor-supported analysis, and save equipment and office space. Agency management has endorsed this proposal subject to availability of a new site and has approved the transfer of one facility from its contractor site location to the CIA Headquarters Building. Further consolidation is under study.

(3) Cost Accounting

Somewhat related to the above investigation, a study was conducted of the cost accounting (i.e., how much does a computer run cost?) systems utilized by the three CIA Headquarters computer centers. The study included an examination of cost accounting methods employed by other government agencies. It was concluded that the pricing systems now employed by the several CIA centers were sufficiently disparate that comparisons would produce unreliable results, and that a uniform system for pricing computer services would provide significant benefits. The Office of Computer Services (OCS) was judged to have developed the most reliable, sophisticated system for pricing computer services. The Executive Director has tasked the Headquarters centers to develop a uniform pricing system based on the OCS model. This assignment is scheduled for completion during FY 73.

(4) Mass Storage

In FY 72 the Office of Computer Services (OCS) began to look into the new mass storage technology which permits the storing of very large

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amounts of data on line. This could have significant implication in reducing the size of the disk and magnetic tape library and the manual operations concerned with storing and mounting disks and tapes. A contract has been let to determine whether a mass storage device is technically feasible in the OCS computer environment.

(5) Graphic Terminals

CIA uses several different graphic display terminal devices. The more sophisticated terminals featuring character and vector displays, photographic superposition, etc., are very expensive. CIA has been investigating the Anagraph terminal system as a possible single replacement for the variety of terminals now in use. Anagraph appears to have the required quality and flexibility to meet CIA requirements at a significantly lower cost than present terminals. A contract has been let with Draper Labs, MIT, to develop software to interface Anagraph with the OCS computer center to emulate functions by present terminals. Successful completion of this contract could result in the acquisition of the Anagraph system at the end of FY 73.

(6) On-Line Maintenance

In late FY 1972 the Clandestine Service began a study of the feasibility of on-line data entry into the CS Records System. The CS Records System consists of a very large file of biographic data on foreign personalities of counterintelligence significance. This file is being mechanized; various off-line keystroke input methods have been utilized to build the data base, and there are a large number of daily maintenance transactions. If an on-line system proves feasible, it will curtail the movement of paper through the input cycle and enhance editing and correction of the data base. The study is scheduled for completion during FY 1973.

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(7) Interagency Cooperation

Since the late 1960's, the Clandestine Service has worked closely with the FBI on the development of compatible systems for mechanized personality files. Plans are now underway for the FBI to provide the Clandestine Service with data on Soviet officials in the US in machine language for direct input into the CS General Information Collation System (GICS) file on hostile intelligence services. Future plans include the possibility of a direct secure link between the two agencies through which each could provide data to the other and ask questions of each other's holdings.

b. Achieved During Past Year (FY 72)

(1) Central ADP Services

(a) In September 1971, an OCS Configuration Board was established. The purpose of the Board, which holds weekly meetings, is to review the performance of computer systems and plans for changes in hardware and software. Board actions have resulted in greater reliability and productivity of OCS systems.

(b) An OCS Resource Management Board has been established. This Board meets monthly to review and make recommendations regarding significant on-going projects and to approve the initiation of new projects where the cost is estimated to exceed \$25,000.

(c) OCS utilizes IBM equipment in its large computer systems. A program of weekly meetings with IBM sales and customer engineering management has been initiated to improve communications, service, and general IBM support.

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(d) Considerable effort has been expended to develop new and better computer performance measurement techniques in order to more positively examine the effectiveness of the utilization of computer resources. This is a continuing program; further refinement and standardization of measurement processes is projected.

(2) Data Management Systems

A major effort to develop a generalized on-line data management software system was largely completed in FY 72. The selected system, the Generalized Information Management System (GIMS), a development of TRW Systems, Inc., has been modified and enhanced to meet OCS specifications with TRW contractual assistance. The objective is to develop a single system which will replace as many of the existing on-line systems as possible and to eliminate the need to develop additional systems of this type for at least five years. A generalized system of sufficient scope and capability can satisfy the requirements of a large number of users, obviating the need to develop tailor-made systems for each user. It is projected that significant savings in programming, user indoctrination, and application effort will accrue over the life of the system. The first major application of GIMS will be to the Support Information Processing System (SIPS), the Agency's large project to integrate and modernize the processing of administrative records.

(3) Hardware

(a) Although OCS utilizes IBM main frames, a continuing effort is made to acquire peripheral components that are competitive with IBM in terms of capability, performance, and cost. For example, the following equipment has been obtained recently as replacement for IBM gear.

- 2 AMPEX Memory Units
- 8 CALCOMP Disk Units
- 3 MEMOREX Communications Controllers
- 2 DATA 100 Remote Job Entry Terminals
- 1 REMCON Remote Job Entry Terminal
- 8 DELTA DATA CRT Terminals
- 1 DATEL Typewriter Terminal

(b) In early FY 72, the Attached Support Processor System (ASP) was installed in OCS. This system allows sharing of peripheral units by interconnected computers. Two IBM 360/65's and one IBM 360/195 are interconnected via ASP. The system, which now provides an estimated 25 percent increase in productivity over non-ASP operation, represents a major change in hardware configuration, system software, and resource scheduling concepts.

(4) Project Review

All ADP projects requiring a significant expenditure of funds for contractual assistance and all significant ADP equipment requests must be approved by the Executive Director. OCS has frequently been called upon to provide technical advice to the Executive Director during project review. In February 1972, OCS was formally included in the project review process. Now all projects requiring Executive Director approval must receive prior review by OCS, which is responsible for judging the technical soundness of projects and equipment acquisitions and offering alternative suggestions.

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(5) ADP Organization

At the beginning of FY 1972, the ADP, photographic, information processing and records management functions of the Clandestine Service were united into the newly established Information Services Division. This amalgamation is expected to improve control, direction, and coordination of related functions and systems previously under separate managements.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECTION VI - PRODUCTIVITY

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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IMPROVEMENT

PROGRAM
or
FUNCTION

Selection, EOD, and assignment of clerical personnel, through Temporary Assignment Section (TAS), Clerical Staffing Branch, Staff Personnel Division.

Measurement of productivity-- EOD's in relation to staff man hours expended.

Performance FY 1972

(units of production)--8.5 man years, or 17,680 man hours, of CSB staff time.

24.3 man hours per unit-- or 1 man year per 85.5 units.

Objective FY 1973

--same staff time.

20.3 man hours per unit, or a 20% productivity increase. (1 man year per 102.5 units.)

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Section VI. Productivity Improvement

Base Year Data

CONFIDENTIAL

Field Year	Activity Evaluated	Output Units	Input in Man Years	Base Year Ratio in Man Years To Product / Output Unit	Number of Man Years Justified	Percentile Index of Effectiveness	Percentile Difference	Cost To Produce / Output Unit (Units)	Per Unit Cost Savings (Units)
1972	Professional Applicants put in clearance process	<input type="text"/>	20	.028	20	100%	--	\$447	--

1. Significant Improvements in the Productivity of this Program achieved in the past year.

Not required per instructions OMB Circular A-44 revised.

Objective Year Data

1973	Professional Applicants put in clearance process	<input type="text"/>	20	.028	24	120%	+20%	\$374	--
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2. Significant Improvements in the Productivity of this Program planned for the current year.

20 man-years @ \$15,973.

Section VII - Productivity Improvement

Base Year Data

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Fiscal Year	Activity Evaluated	Output Units	Input in Man Years	Base Year Rate Ratio in Man Years To Produce 1 Output Unit	Number of Man Years Justified	Percentile Index of Effectiveness	Percentile Difference	Cost To Produce 1 Output Unit (Dollars)	Total Cost Savings (Dollars)
1972	Organizational Position and Manpower Utilization Surveys	15	10*	.666	10	100%	--	\$10,056	--

1. Significant Improvements in the Productivity of this Program achieved in the past year.

- ... In mid FY 1972, the Position and Manpower Utilization Survey Program was adjusted to a definite cyclical schedule to assure that all organizational components of the Agency are completely surveyed each three years.
- ... Primary emphasis was directed from position audits and evaluations to overall organizational structures and development of data on manpower utilization findings for consideration by the operating program managers.

Objective Year Data

1973	Organizational Position and Manpower Utilization Surveys	23	10*	.666	15	153%	+53%	\$6,550	--
------	--	----	-----	------	----	------	------	---------	----

2. Significant Improvements in the Productivity of this Program planned for the current year.

- ... The establishment of a definite cyclical schedule for the conduct of organizational surveys will permit planned and fuller use of our limited personnel resources.
- ... A 53% increase in the number of surveys undertaken is our goal for FY 1973.

* 10 man-years @ \$15,035.

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Identification of
Program or Function

1. COMINT Collection (OC)

Description of Improvements

In FY 1971, the intercept total increased 1%. The productivity in terms of published product increased by 3%. In FY 1972 intercept increased by 3%. Because of a change in NSA reporting procedures we do not have a measure of the increase in publication. We believe, however, that the ratio is about the same, or slightly higher. A specific measure of the non-COMINT collection by our "customers" is not available. However, its overall value in terms of quantity and quality in our opinion has increased.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECTION VII - COST REDUCTIONS

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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1. Overall cost reduction dollar savings achieved or estimated for

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit	(1) \$100,000 (2) \$ 3,000	---- \$3,000	---- \$3,000
b. Reprogrammed to finance other approved requirements	(3) \$ 27,000	----	----
c. Placed in reserve or applied to reducing the President's budget	----	----	----

2. Summary descriptions of past year cost reduction achievements:

a. NA

b.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

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1. Overall cost reduction dollar savings goal for current year:

The projected cost reduction dollar savings goal for Procurement Contract Management and Logistics Procurement is established at \$2,250,000.

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Revert to funds allocated component requesting procurement.	\$2,214,460	\$2,250,000	\$2,250,000

3. Summary descriptions of past year cost reduction achievements:

Cost reductions on procurements are achieved on a continuing basis through negotiation and special techniques to reduce the actual cost to a figure below the proposed or estimated cost. These funds are returned to the requesting components to finance other approved requirements.

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DD/S1. Overall cost reduction dollar savings goal for current year:

Logistics supply cost reductions are primarily in the form of cost avoidance, since the supplies and materials purchased and issued are funded by other Agency components. These reductions are calculated on converting personnel parachutes to cargo chutes rather than procuring new ones, the converting of a heating plant from fuel oil to natural gas, and the use of vans and pallets rather than individual packaging for shipments which saves in materials and manhours. An overall cost reduction in Logistics supply operations of \$173,489 is estimated for FY 1973.

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit.	\$24,376	\$ 53,385	\$ 53,000
b. Reprogrammed to finance other approved requirements.	\$80,400	\$120,104	\$100,000
c. Placed in reserve or applied to reducing the President's budget.	0	0	0

3. Summary descriptions of past year cost reduction achievements:

- a. The savings accrued during the past year were through the use of vans and palletizing by depots thereby reducing transportation and packing costs by \$47,000 in FY 72 and is estimated to reduce costs by \$80,000 in FY 73.

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- c. The conversion of the central heating plant from fuel oil to natural gas will reduce the annual heating costs by \$6,385 in FY 73. The FY 72 cost reduction was \$5,776.

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1. Overall cost reduction dollar savings goal for current year:

The support of real estate and construction projects and activities are funded by other components of the Agency primarily on a specific task basis; therefore, the committed funds cannot be controlled to produce a regular flow of dollar savings. However, every effort is made to meet customer demands and requirements in as timely and economical manner as possible.

2. Overall cost reduction dollar savings achieved or estimated for:

Overall cost reduction dollar savings or, more properly stated, cost avoidance for the fiscal years indicated is given below.

<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
\$30,000*	\$125,000**	NA

*Cost avoidance resulting from using generators in storage for a project rather than new procurement.

**Cost avoidance resulting in generators (2 large units) and transformers (4 large units) declared excess in Korea for use in Taipei rather than new procurement.

3. Summary descriptions of past year cost reduction achievements:

This cost avoidance was achieved by making use of materials already on hand or that were declared surplus. This cost avoidance had a significant budgetary effect on the operating component that originally requested and funded the engineering work.

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1. Overall cost reduction dollar savings goal for current year:

In spite of the increase in Headquarters Motor Pool operating costs as result of higher wages, fuel and replacement parts, every effort will be made to maintain the dollar savings goal realized in FY 1972.

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Reprogrammed to finance other Office of Logistics approved requirements.	\$29,723	\$30,000	\$30,000

3. Summary descriptions of past year cost reduction achievements:

As the result of reducing the number of shuttle bus runs, a savings of \$29,723 was realized. This savings consisted of \$3,075 annual operating costs for one bus and one limousine, and \$26,648 in normal and overtime salaries for two drivers.

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1. Overall cost reduction dollar savings goal for current year:

\$75,000 (est)

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit			
b. Reprogrammed to finance other approved requirements	\$317,480		
c. Placed in reserve or applied to reducing the President's budget			

3. By implementing a refurbishing technique for two "Fast-Rand" drums that contained TOP SECRET Code-word data, the Information Processing Branch was able to effect a one-time savings of \$158,740 for each of two such drums. The drums had been damaged and were inoperative in the NPIC

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computer systems. This precluded the proper overwriting of data previously recorded on the magnetic surface of the drum. The procedure that was established was one where the drums were "refurbished" by grinding off all of the magnetic material in a precision fashion so that the drums could be "remade" as though the drums were being built for the first time. The cost of preparing the drums in this fashion for the refurbishing was \$5,700 for each drum. Had such a procedure not been possible, the Agency would have had to destroy the drums to protect the classified information and pay the full purchase price of \$164,640. This resulted in an effective dollar savings of \$158,740 for each drum; i.e., a total of \$317,480.

SECRET

SECRET

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1. Overall cost reduction dollar savings goal for current year:

\$75,000 (est)

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit			
b. Reprogrammed to finance other approved requirements		\$75,000 (est)	
c. Placed in reserve or applied to reducing the President's budget			

3. Action - Changed the specifications for securing the dedicated signal floor cells which will house the gray line telephone cables upon removal of the All Source Center's turnstile barriers. The new specification, equally secure, involves the securing of the holes into the signal cells with the existing cover plates and "shoe boxes" which, in turn, are riveted to the cell.

SECRET

Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECRET

Achievement - The original security specification called for procuring over 1600 special new cover plates for the floor cells as well as about 500 special terminal inserts at an estimated cost of at least \$48,000. The total cost of securing the cells was budgeted at \$110,000. By changing the security specification, the entire equipment cost of \$48,000 plus a substantial part of the \$62,000 estimated labor cost will be saved.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R004700050001-7

SECRET

DD/S

1. Overall cost reduction dollar savings goal for current year:

\$12,500

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit	0	\$12,500	\$12,500
b. Reprogrammed to finance other approved requirements	NA	NA	NA
c. Placed in reserve or applied to reducing the President's budget	NA	NA	NA

- 3.

The cost reduction did not (a) have applicability to other government departments or agencies;

(b) have a significant budgetary effect in the current or budget year.

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DD/S

1. Overall cost reduction dollar savings goal for current year:

\$210,000

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements (annualization of pay act increases)	\$103,000	\$210,000	\$212,000
b. Reprogrammed to finance other approved requirements	NA	NA	NA
c. Placed in reserve or applied to reducing the President's budget	NA	NA	NA

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DD/S

1. Overall cost reduction dollar savings goal for current year:

\$88,500

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit	\$88,500	\$88,500	\$88,500
b. Reprogrammed to finance other approved requirements	---	---	---
c. Placed in reserve or applied to reducing the President's budget	---	---	---

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3. Past Year Cost Reduction Achievements:

	<u>Estimated Savings</u>	
a. Developed computer processes replacing manual operations on vouchers, advance accounts and time and attendance reports.	FY 72	\$22,500
	FY 73	22,500
	FY 74	22,500
b. Reorganized and consolidated commercial audit activities with resulting reduction in total personnel assigned to this function.	FY 72	\$39,000
	FY 73	39,000
	FY 74	39,000
c. Simplified procedures for the financial control of nonexpendable property at non-depot type activities.	FY 72	\$27,000
	FY 73	27,000
	FY 74	27,000

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Career Training Program

1. Overall cost reduction dollar savings goal for current year:

\$25,500

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year (FY 1972)</u>	<u>Current Year (FY 1973)</u>	<u>Budget Year (FY 1974)</u>
a. Finance other approved requirements of the reporting unit	\$4,000	\$25,500	Unknown

3. Summary description of past year cost reduction achievements:

- a. Applicability to other departments

Cross-country travel by applicants for the Career Training Program is an expensive part of Program-selection costs. In an effort to reduce these costs, the Program sent four Program Officers, two in FY 1972 and two in early FY 1973, to interview 24 applicants on the West Coast. They approved only five of the twenty-four applicants. Elimination of the travel expenses of the remaining nineteen applicants resulted in savings of \$4,000 in FY 1972 and \$4,000 so far in FY 1973.

During the remainder of FY 1973 we plan to follow the same procedure for applicants in the Midwest. Our anticipated total savings of \$25,500 in FY 1973 assume one trip by two Program Officers every three months to West Coast cities, and another such trip with the same frequency to Midwest locations.

The cost reduction is applied to the Office of Personnel which budgets for travel of invitees. The savings here thus accrue to the Office of Personnel or to the Agency. There is a slight increase in OTR's travel costs for the Program Officers.

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DDS&T

1. Overall cost reduction dollar savings goal for the current year: \$100K
2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year</u>	<u>Current Year</u>	<u>Budget Year</u>
a. Finance other approved requirements of the reporting unit.	\$100K	\$100K	\$150K
b. Reprogrammed to finance other approved requirements.	\$2,000K	----	----

3. a. Joint procurement with NSA of magnetic tape.
- b. Returned \$2,000K to the Air Force.

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DD/S&T

1. Overall cost reduction dollar savings goal for current year:

\$150,000

2. Overall cost reduction dollar saving achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year (FY 1972)</u>	<u>Current Year (FY 1973)</u>	<u>Budget Year (FY 1974)</u>
a. Finance other approved requirements of the reporting unit.	170,000		
b. Reprogrammed to finance other approved requirements.			
c. Placed in reserve or applied to reducing the President's budget.			

3. Summary descriptions of past year cost reduction achievements:

During FY 72 approximately \$170,000 was saved in ADP rentals as follows:

- a. Use of fixed term contract for some 47 IBM components consisting of drums, disk storage drives, and control units. \$100,000
- b. Use of Calcomp Disk Storage Devices in place of Disk Storage Devices. 70,000

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